

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE HOUSE BILL 2384

Chapter 140, Laws of 2026

69th Legislature
2026 Regular Session

CONTINUING CARE RETIREMENT COMMUNITIES—ACTUARIAL ANALYSIS

EFFECTIVE DATE: June 11, 2026—Except for sections 1 through 7, which
take effect July 1, 2027.

Passed by the House March 9, 2026
Yeas 78 Nays 17

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 3, 2026
Yeas 37 Nays 12

DENNY HECK

President of the Senate

Approved March 23, 2026 10:32 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 2384** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 23, 2026

**Secretary of State
State of Washington**

1 (4) "Continuing care retirement community" or "life plan
2 community" means an entity that agrees to provide continuing care to
3 a resident under a residency agreement with an entrance fee.
4 "Continuing care retirement community" or "life plan community" does
5 not include an assisted living facility licensed under chapter 18.20
6 RCW that does not directly, or through a contractual arrangement with
7 a separately owned and incorporated skilled nursing facility, offer
8 or provide services under chapter 74.42 RCW.

9 (5) "Department" means the department of social and health
10 services.

11 (6) "Entrance fee" means an initial or deferred transfer to a
12 continuing care retirement community of a sum of money or other
13 property made or promised to be made as full or partial consideration
14 for acceptance of one or more residents in a continuing care
15 retirement community. "Entrance fee" does not include deposits of ten
16 thousand dollars or less or any amount that is based on rental or
17 lease payments of one month or more.

18 (7) "Life care contract," also known as a type A contract, means
19 a contract that is:

20 (a) Provided to a person, for the duration of the person's life
21 or for a term in excess of one year; and

22 (b) Conditioned upon payment of an entrance fee that is in
23 addition to or in lieu of the payment of additional recurring charges
24 that do not change based on care setting or services and that
25 involve:

26 (i) At least one of the following services:

27 (A) Nursing services;

28 (B) Medical services;

29 (C) Personal care services; or

30 (D) Any combination of the services in (b)(i)(A) through (C) of
31 this subsection; and

32 (ii) Lodging for the person in a continuing care retirement
33 community.

34 (8) "Office" means the office of the insurance commissioner.

35 (9) "Prospective resident" means a person who has completed an
36 application for admission to a continuing care retirement community
37 and makes a refundable deposit to reserve a unit, excluding
38 applicable administrative fees.

1 (~~(8)~~) (10) "Residency agreement" means a contract between a
2 continuing care retirement community and a resident for the provision
3 of continuing care for a period of greater than one year.

4 (~~(9)~~) (11) "Resident" means a person who enters into a
5 residency agreement with a continuing care retirement community or
6 who is designated in a residency agreement to be a person being
7 provided with continuing care.

8 **Sec. 2.** RCW 18.390.030 and 2025 c 218 s 2 are each amended to
9 read as follows:

10 (1) An applicant for a registration as a continuing care
11 retirement community must submit the following materials to the
12 department:

13 (a) A written application to the department providing all
14 necessary information on a form provided by the department;

15 (b) Information about the licensed assisted living facility
16 component of the continuing care retirement community and, if the
17 continuing care retirement community operates a nursing home,
18 information about that component;

19 (c) Copies of any residency agreements that the continuing care
20 retirement community intends to use for the certification period;

21 (d) A written statement indicating whether the residency
22 agreement includes an entrance fee in lieu of payment for future care
23 and services and, if so, whether those services are covered
24 completely or partially by the entrance fee;

25 (e) A copy of the disclosure statement that includes current
26 information required by RCW 18.390.060;

27 (f)(i) Except as provided in (f)(ii) of this subsection, copies
28 of audited financial statements for the two most recent fiscal years.
29 The audited financial statement for the most current period may not
30 have been prepared more than eighteen months prior to the date that
31 the continuing care retirement community applied for its current
32 registration;

33 (ii) If the continuing care retirement community:

34 (A) Has obtained financing, but has been in operation less than
35 two years, a copy of the audited financial statement for the most
36 current period, if available, and an independent accountant's report
37 opinion letter that has evaluated the financial feasibility of the
38 continuing care retirement community; or

1 (B) Has not obtained financing, a summary of the actuarial
2 analysis for the new continuing care retirement community stating
3 that the continuing care retirement community is in satisfactory
4 actuarial balance;

5 (g) An attestation by a management representative of the
6 continuing care retirement community that the continuing care
7 retirement community is in compliance with the disclosure
8 notification requirements of RCW 18.390.060; (~~and~~)

9 (h) Beginning July 1, 2027, if the applicant offers residency
10 agreements that include life care contracts, an actuarial analysis
11 for review pursuant to the process in section 5 of this act. The
12 actuarial analysis must have been prepared by a qualified actuary and
13 include an actuarial memorandum and certification. The actuarial
14 analysis submission requirement applies to every other registration
15 renewal application beginning with the second renewal application.
16 The department may stagger the initial imposition of the requirements
17 of this section, as applied to renewal applications, to allow the
18 office to conduct its responsibilities under section 5 of this act on
19 a regular basis without fluctuations in workflow; and

20 (i) Payment of any registration fees associated with the
21 department's cost of registering continuing care retirement
22 communities.

23 (2) The department shall base its decision to issue a
24 registration on the completeness of the application and, as required,
25 the receipt of a notice of completion of an actuarial analysis review
26 from the office under section 5 of this act. If an application is
27 incomplete, the department shall inform the applicant and give the
28 applicant an opportunity to supplement its submission. An applicant
29 may appeal a decision of the department to deny an application for
30 registration to the department.

31 (3) The department shall issue the registration within (~~sixty~~)
32 60 days of the receipt of a complete application, payment of fees,
33 submission of disclosures, residency agreements, (~~and~~) the
34 attestation, and, as required, the actuarial analysis. If an
35 application requires review of the actuarial analysis by the office
36 and all other materials have been deemed sufficient by the
37 department, the department may issue a provisional registration while
38 the results of the review of the actuarial analysis are pending. The
39 department's failure to timely issue a registration may not cause a

1 delay in the change of ownership and ongoing operation of the
2 continuing care retirement community.

3 (4) Registration is valid for two years.

4 (5) Registration is not transferable.

5 (6) Materials submitted pursuant to this section are not subject
6 to disclosure under the public records act, chapter 42.56 RCW.

7 **Sec. 3.** RCW 18.390.040 and 2016 c 183 s 4 are each amended to
8 read as follows:

9 (1) The department shall:

10 (a) Register an entity that submits a complete application that
11 includes all of the materials required in RCW 18.390.030 and
12 receives, as required, a notice of completion of an actuarial
13 analysis review from the office under section 5 of this act;

14 (b) Review the disclosure statements submitted by applicants for
15 an initial or renewal registration to operate a continuing care
16 retirement community for completeness;

17 (c) Establish and collect a fee that is sufficient to cover the
18 department's costs associated with administering the requirements of
19 this chapter, including the costs to reimburse the office for its
20 costs associated with providing actuarial reviews under section 5 of
21 this act; and

22 (d) Create and maintain an online listing that is readily
23 available to the public of the names and addresses of continuing care
24 retirement communities that are registered with the department. The
25 online listing shall include a link to the results of any actuarial
26 analysis review received by the department from the office.

27 (2) The department's registration activities consist of reviewing
28 an application for completeness and receipt of actuarial analysis
29 review notices from the office under section 5 of this act and do not
30 signify that the department has otherwise issued a certification or
31 license to the continuing care retirement community or any of its
32 component parts.

33 (3) The department may adopt rules to administer this chapter.

34 **Sec. 4.** RCW 18.390.050 and 2016 c 183 s 5 are each amended to
35 read as follows:

36 An entity that is not registered with the department may not
37 represent itself, or refer to itself in advertising and marketing
38 materials as a "registered continuing care retirement

1 community," ((~~or~~)) "continuing care retirement community," or "life
2 plan community" as defined by this chapter.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.390
4 RCW to read as follows:

5 (1) The department and the office shall collaborate to develop a
6 process for the department to transmit actuarial analyses received
7 under RCW 18.390.030(1)(h) to the office for review and for the
8 office to return the results of the review to the department for
9 consideration in its registration decision.

10 (2) The department shall adopt standards for the contents of the
11 actuarial materials that the office determines is necessary to
12 conduct its review in subsection (3) of this section.

13 (3)(a) The office shall develop standards for the review of
14 actuarial analyses received from the department. The standards must
15 establish a process for determining the applicant's ability to meet
16 its overall contract obligations under its life care contracts in
17 accordance with currently accepted actuarial standards of practice,
18 such as those adopted by the actuarial standards board. The standards
19 shall consider whether the applicant's actuarial balance is
20 satisfactory and reflects liabilities that are sufficient to cover
21 obligations under moderately adverse conditions during the testing
22 period. The term "moderately adverse conditions" anticipates
23 unfavorable, but not extreme, events with a reasonable probability of
24 occurring during the testing period.

25 (b) The office shall review actuarial analyses as required under
26 RCW 18.390.030(1)(h).

27 (i) If the office's review of the applicant's actuarial analysis
28 determines that the applicant's actuarial balance is satisfactory
29 under the standards established in (a) of this subsection, it will
30 notify the department of the results.

31 (ii) If the office's review of the applicant's actuarial analysis
32 determines that the applicant's actuarial balance is not satisfactory
33 under the standards established in (a) of this subsection, it will
34 notify the department and the applicant of the results and notify the
35 applicant of the right to an appeal of the decision and the reasons
36 for the determination in sufficient detail that the applicant may
37 attempt to cure deficiencies.

38 (c) Any appeal by an applicant regarding a determination under
39 (b)(ii) of this subsection shall be made to the office.

1 (d) The office is not required to prepare or provide any
2 materials, other than written notice to the department of its review
3 determination under (b) of this subsection and written notice to the
4 applicant of the right to an appeal of a determination under (b) of
5 this subsection and the reasons for the determination, or review any
6 materials, other than the actuarial analysis prepared by a qualified
7 actuary and provided by the applicant.

8 (e) Nothing in this subsection prohibits the office from
9 communicating with the applicant's actuarial representative for
10 purposes of obtaining information necessary to complete its review.
11 The office may request additional actuarial materials as needed to
12 conduct its review.

13 NEW SECTION. **Sec. 6.** A new section is added to chapter 48.02
14 RCW to read as follows:

15 The insurance commissioner is authorized to perform functions
16 required under chapter 18.390 RCW related to the review of actuarial
17 analyses submitted by applicants for registration as a continuing
18 care retirement community, including establishing standards for the
19 review of actuarial analyses, the qualifications of the actuaries
20 preparing the actuarial analyses, and the administration of appeals
21 under chapter 48.04 RCW for determinations that an applicant's
22 actuarial balance is not satisfactory under subsection 5(3)(b)(ii) of
23 this act. The insurance commissioner may adopt rules related to its
24 responsibilities under chapter 18.390 RCW, as necessary.

25 **Sec. 7.** RCW 48.02.065 and 2024 c 123 s 1 are each amended to
26 read as follows:

27 (1) Documents, materials, or other information as described in
28 subsections (5), (6), (7), ~~((and))~~ (8), and (9) of this section are
29 confidential by law and privileged, are not subject to public
30 disclosure under chapter 42.56 RCW, and are not subject to subpoena
31 directed to the commissioner or any person who received documents,
32 materials, or other information while acting under the authority of
33 the commissioner. The commissioner is authorized to use such
34 documents, materials, or other information in the furtherance of any
35 regulatory or legal action brought as a part of the commissioner's
36 official duties. The confidentiality and privilege created by this
37 section and RCW 42.56.400(8) applies only to the commissioner, any
38 person acting under the authority of the commissioner, the national

1 association of insurance commissioners and its affiliates and
2 subsidiaries, regulatory and law enforcement officials of other
3 states and nations, the federal government, and international
4 authorities.

5 (2) Neither the commissioner nor any person who received
6 documents, materials, or other information while acting under the
7 authority of the commissioner is permitted or required to testify in
8 any private civil action concerning any confidential and privileged
9 documents, materials, or information subject to subsection (1) of
10 this section.

11 (3) The commissioner:

12 (a) May share documents, materials, or other information,
13 including the confidential and privileged documents, materials, or
14 information subject to subsection (1) of this section, with (i) the
15 national association of insurance commissioners and its affiliates
16 and subsidiaries, (ii) regulatory and law enforcement officials of
17 other states and nations, the federal government, and international
18 authorities, and (iii) agencies of this state, if the recipient
19 agrees to maintain the confidentiality and privileged status of the
20 document, material, or other information;

21 (b) May receive documents, materials, or information, including
22 otherwise either confidential or privileged, or both, documents,
23 materials, or information, from (i) the national association of
24 insurance commissioners and its affiliates and subsidiaries, and (ii)
25 regulatory and law enforcement officials of other states and nations,
26 the federal government, and international authorities and shall
27 maintain as confidential and privileged any document, material, or
28 information received that is either confidential or privileged, or
29 both, under the laws of the jurisdiction that is the source of the
30 document, material, or information; and

31 (c) May enter into agreements governing the sharing and use of
32 information consistent with this subsection.

33 (4) No waiver of an existing privilege or claim of
34 confidentiality in the documents, materials, or information may occur
35 as a result of disclosure to the commissioner under this section or
36 as a result of sharing as authorized in subsection (3) of this
37 section.

38 (5) Documents, materials, or information, which is either
39 confidential or privileged, or both, which has been provided to the
40 commissioner by (a) the national association of insurance

1 commissioners and its affiliates and subsidiaries, (b) regulatory or
2 law enforcement officials of other states and nations, the federal
3 government, or international authorities, or (c) agencies of this
4 state, is confidential and privileged only if the documents,
5 materials, or information is protected from disclosure by the
6 applicable laws of the jurisdiction that is the source of the
7 document, material, or information.

8 (6) Working papers, documents, materials, or information produced
9 by, obtained by, or disclosed to the commissioner or any other person
10 in the course of a financial or market conduct examination, or in the
11 course of financial analysis or market conduct desk audit, are not
12 required to be disclosed by the commissioner unless cited by the
13 commissioner in connection with an agency action as defined in RCW
14 34.05.010(3). The commissioner shall notify a party that produced the
15 documents, materials, or information five business days before
16 disclosure in connection with an agency action. The notified party
17 may seek injunctive relief in any Washington state superior court to
18 prevent disclosure of any documents, materials, or information it
19 believes is confidential or privileged. In civil actions between
20 private parties or in criminal actions, disclosure to the
21 commissioner under this section does not create any privilege or
22 claim of confidentiality or waive any existing privilege or claim of
23 confidentiality.

24 (7) Documents, materials, or information provided to the
25 commissioner by the federal government related to emergency
26 management, hazard mitigation, and the national flood insurance
27 program are confidential by law and privileged, and are not subject
28 to public disclosure under chapter 42.56 RCW.

29 (8) Data requested by the commissioner from property and casualty
30 entities regulated by the commissioner for the purpose of
31 understanding and studying insurance market conditions outside the
32 context of market conduct action is confidential by law and
33 privileged and is not subject to public disclosure under chapter
34 42.56 RCW. Nothing in this section prohibits the commissioner from
35 preparing and publishing reports, analysis, or other documents using
36 the data received from individual property and casualty companies so
37 long as the data in the report is in aggregate form and does not
38 permit the identification of information related to individual
39 companies. Data in the aggregate form are deemed open records
40 available for public inspection. Nothing in this section affects,

1 limits, or amends the commissioner's authority under chapter 48.37
2 RCW.

3 (9) Documents, materials, and information related to the
4 commissioner's responsibility to review actuarial analyses under
5 section 3 of this act as provided to the commissioner directly by
6 applicants for registration as a continuing care retirement community
7 under chapter 18.390 RCW or indirectly by the department of social
8 and health services are confidential by law and privileged, and are
9 not subject to public disclosure under chapter 42.56 RCW.

10 (10)(a) After receipt of a public disclosure request, the
11 commissioner shall disclose the documents, materials, or information
12 under subsection (6) of this section that relate to a financial or
13 market conduct examination undertaken as a result of a proposed
14 change of control of a nonprofit or mutual health insurer governed in
15 whole or in part by chapter 48.31B RCW.

16 (b) The commissioner is not required to disclose the documents,
17 materials, or information in (a) of this subsection if:

18 (i) The documents, materials, or information are otherwise
19 privileged or exempted from public disclosure; or

20 (ii) The commissioner finds that the public interest in
21 disclosure of the documents, materials, or information is outweighed
22 by the public interest in nondisclosure in that particular instance.

23 (10) Any person may petition a Washington state superior court to
24 allow inspection of information exempt from public disclosure under
25 subsection (6) of this section when the information is connected to
26 allegations of negligence or malfeasance by the commissioner related
27 to a financial or market conduct examination. The court shall conduct
28 an in-camera review after notifying the commissioner and every party
29 that produced the information. The court may order the commissioner
30 to allow the petitioner to have access to the information provided
31 the petitioner maintains the confidentiality of the information. The
32 petitioner must not disclose the information to any other person,
33 except upon further order of the court. After conducting a regular
34 hearing, the court may order that the information can be disclosed
35 publicly if the court finds that there is a public interest in the
36 disclosure of the information and the exemption of the information
37 from public disclosure is clearly unnecessary to protect any
38 individual's right of privacy or any vital governmental function.

1 NEW SECTION. **Sec. 8.** (1) By December 1, 2026, the office of the
2 insurance commissioner shall prepare an implementation status report
3 and submit the report to the appropriate committees of the
4 legislature. The implementation status report shall include any
5 findings and results of the work outlined in subsection (2) of this
6 section and address:

7 (a) Whether an independent review of the completed actuarial
8 analysis should be conducted by the office of the insurance
9 commissioner or by a contracted third-party entity with expertise in
10 actuarial evaluations for continuing care retirement communities; and

11 (b) An ongoing fee structure based on the estimated time and
12 resources required to conduct the review of the submitted documents.

13 (2) The office of the insurance commissioner shall:

14 (a) Determine what data and information are needed to complete a
15 review of the submitted documents;

16 (b) Evaluate the resources and time required to conduct the
17 review of the submitted documents, including also determining the
18 level of actuarial expertise required; and

19 (c) Assess the appropriate fee structure necessary to support the
20 actuarial review of the submitted documents.

21 (3) For the purposes of this section:

22 (a) "Applicant" means an applicant for registration as a
23 continuing care retirement community as outlined in chapter 18.390
24 RCW.

25 (b) "Submitted documents" means the applicant's submitted
26 actuarial analysis documents as required under RCW 18.390.030(1)(h).

27 (4) This section expires January 1, 2028.

28 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act take
29 effect July 1, 2027.

Passed by the House March 9, 2026.
Passed by the Senate March 3, 2026.
Approved by the Governor March 23, 2026.
Filed in Office of Secretary of State March 23, 2026.

--- END ---